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Report Highlights:

With favorable weather and steady fertilization, palm oil production is anticipated to rise 3 percent reaching 47 million metric tons (MMT) for 2025/26. Industrial use of palm oil in this period is projected to go up modestly, capping exports at 24 MMT. The expansion of Indonesia's national Free Nutritious Meals program is projected to support soybean consumption growth as well as soybean meal use in the poultry feed industry.

Commodity:
Oil, Palm

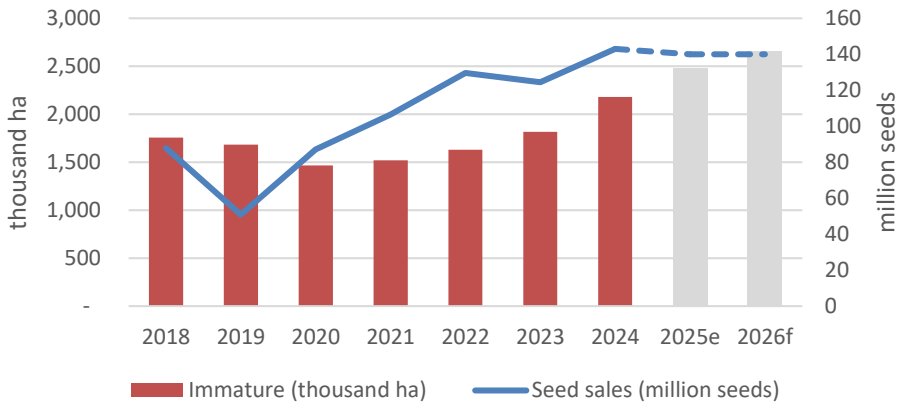
Production
Indonesia's 2025/26 palm oil production is forecast to rise 3 percent from 2024/25 to 47 million metric tons (MMT) on expected improved yield from favorable weather and adequate fertilizer application. According to the local weather agency (BMKG), the La Nina event in the Pacific Ocean transitioned into an El-Nino Southern Oscillation (ENSO) neutral phase in March 2025. In addition, the Indian Ocean Dipole (IOD) phenomenon is also projected to enter a neutral phase during the dry season. With this forecast, the BMKG predicts that the 2025 dry season will be normal, without strong effects from ENSO or IOD.

Fertilizer applications in 2024/25 are expected to continue to improve as fertilizer prices in February 2025 have generally decreased between 14 percent to 59 percent compared to peak prices in 2022. Higher returns to farmers from higher palm oil prices since early 2023/24 also supported fertilization practices.

Post expects harvested area to remain steady at 14.4 million ha for 2025/26. Immature oil palm area is projected to rise from 15 percent of total area in 2024/25 to 16 percent in 2025/26. Immature oil palm area in 2021-2024 was below what it was ten years ago (2011-2014) at its peak of 2.8 million ha. Private companies mainly drove replanting at a rate of between 3 to 5 percent of their total planted area, while smallholder replanting continues at a slow pace despite available subsidies. In 2024, the Government of Indonesia (GOI) doubled the subsidy for replanting from IDR 30 million ($1,834) per hectare to IDR 60 million ($3,668) per hectare, aiming to boost the smallholder yields.

Despite sluggish tree replacements, with current lucrative palm oil prices, major oil palm area expansion is projected to take place within the next few years, mainly on private land banks and to a lesser extent on some smallholder areas. Palm plantation expansion is a large part of current GOI discussions as part of the new Prabowo administration's energy self-sufficiency goals. In September 2024, the Minister of Energy verbally proposed developing up to 300,000 ha of new oil palm plantations in Papua to support Indonesia's increasing biodiesel blending mandates.

Figure 1. Indonesia: Immature Oil Plam Area and Seed Sales

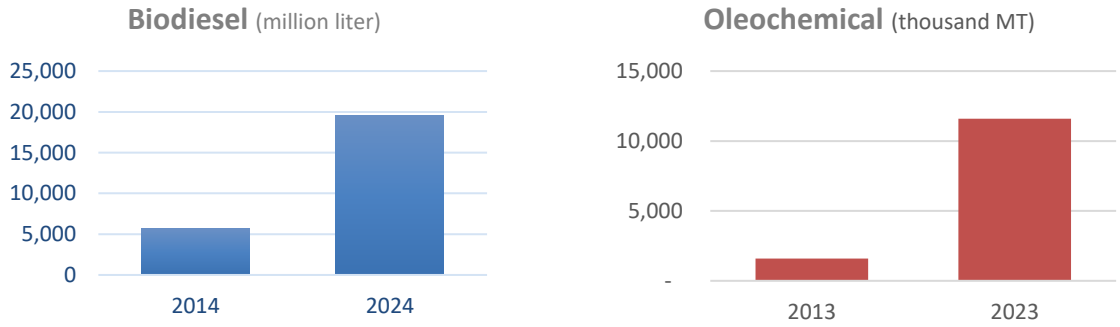


Consumption

Indonesia's 2025/26 palm oil consumption is forecast to rise slightly to 22.6 MMT on continued growth in industrial use and food sector use. Growing palm oil use in the industrial sector is expected to be mainly driven by increased biodiesel consumption.

Post forecasts palm oil use by the industrial sector to reach 14.9 MMT in 2025/26 on continued demand from the biodiesel and oleochemical industry, particularly with the new B40 biodiesel blending mandate which began implementation in 2025. However, the GOI's ambitious blending rate goals beyond 40 percent (see GAIN Report ID2025-0006) will require Indonesia to increase its current biodiesel production capacity.

Figure 2. Rising Biodiesel and Oleochemical Installed Capacity



Source: Aprobi, Ministry of Industry (MOI)

Indonesia's biodiesel and oleochemical production capacity has grown rapidly over the past decade. In 2025, biodiesel production capacity is expected to increase by 1.5 billion liters from its current capacity of 19.7 billion liters. According to Indonesia's biodiesel producers association, an additional 4 billion liters of production capacity will be required to be able to facilitate Indonesia's next blending mandate target of B50. As for the oleochemical sector, several new plants with a combined 900,000 MT of capacity are expected to come online this year in East Java, North Sumatera and Batam.

In February 2025, the GOI announced that it had started tests for biodiesel blended with 50 percent palm oil-based content (B50) which are expected to be completed within the next few months. The Ministry of Energy and Mineral Resources (ESDM) is aiming to roll-out a B50 blending mandate program in 2026 after reviewing the current tests. Implementing the B50 blending mandate nationwide is expected to require between 17.5 to 19 billion liters of biodiesel.

The implementation of the B40 blending mandate began rolling out nationwide in March 2025 following a two-month grace period for the biofuels industry to prepare. During this transition period, fuel retailers prepared their infrastructure for the higher blend mandate and emptied their remaining stocks of B35. However, the GOI's CPO Fund, which is collected through levies on palm oil exports to subsidize biodiesel's price competitiveness vis-à-vis fossil diesel, are currently insufficient to fully cover total biodiesel demand in Indonesia at a B40 blending rate. Therefore, the GOI will only guarantee CPO Fund subsidies for Public Service Obligation (PSO) diesel (see GAIN Report ID 2025-0007). This will require a subsidy of around IDR 35 trillion ($2.1 billion), 25 percent higher than the subsidy required to implement B35 in 2024.

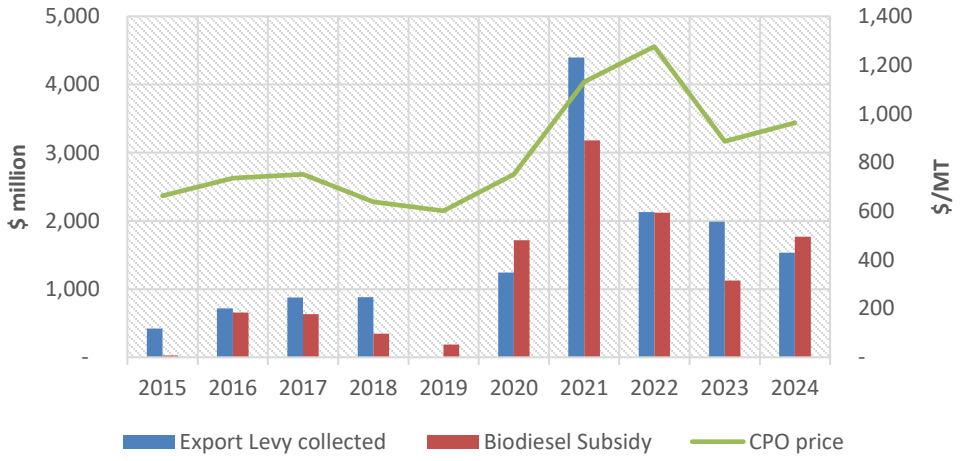
The insufficient subsidy for full B40 implementation prompted the government to plan a 10 percent increase in export levies for palm oil products. These levies on exports of palm oil products and waste products are instrumental in propping up the biodiesel blending mandate program. Levy tariffs are frequently adjusted depending on international prices. If Indonesia's palm oil export prices become too high, the levies are lowered to increase the competitiveness of Indonesia's palm oil export, as occurred in September 2024. In August 2019, the GOI even temporary waived the levy entirely due to plummeting international CPO prices.

In January 2025, the Ministry of Trade (MOT) also curbed exports of Used Cooking Oil (UCO) and palm waste products to secure these potential feedstocks for both the biodiesel program and cooking oil industry. However, Indonesia has not yet developed largescale capacity to process these feedstocks (see GAIN Report ID 2025-0007 for more information).

Table 1. Indonesia Biodiesel Mandatory Program 2024-2025

	2024	2025
Blending Rate	Biodiesel 35 percent (B35)	Biodiesel 40 percent (B40)
CPO fund subsidy coverage and amount	PSO and non-PSO diesel $1.7 billion	PSO diesel $2.1bn (est.)
Biodiesel volume and allocation	Total 13.41 bn liter	Total 15.6 bn liter PSO: 7.6 bn liter Non-PSO: 8 bn liter

Figure 3. CPO Fund, Biodiesel Subsidy and CPO Prices



Source: BPDP performance reports, World Bank

Palm oil use in the food sector is forecast at 7.4 MMT for 2025/26, 50,000 MT higher than in 2024/25 on increased demand from cooking oil and food processing industries. Palm oil-based cooking oil dominates Indonesia's cooking oil market for its availability and affordability. Sales of other cooking oils, such as soy-based and coconut-based cooking oils, are limited to premium consumers group.

Post expects the GOI to maintain its Domestic Market Obligation (DMO) policy[1] in 2025/26 to secure palm oil feedstock for its domestic cooking oil supplies. Under the brand of "Minyakita,[2]" the DMO cooking oil policy aims to ensure the availability of affordable cooking oil in the domestic market. In addition to "Minyakita," there are premium cooking oils and unbranded cooking oils that are typically sold in wet markets in bulk at market price. In August 2024, the GOI had to increase its fixed retail price (HET) for "Minyakita" to IDR 15,700 per liter to align better with de facto market prices after months of surging palm oil prices. Despite the HET increase, consumers continue to find the price of Minyakita to be well above the HET, even up to 18 percent above it in March 2025 compared to the year before. This disparity in cooking oil prices has created various issues in the supply chain, including bundling-sales practices[3], fraud in packing, and lengthy distribution channels.

Trade

Post forecasts Indonesia's 2025/26 palm oil exports at 24 MMT, a slight increase from 2024/25 of 23 MMT on continued demand from major markets such as China, India, and Pakistan. Exportable volumes are likely to be limited by stagnant output and increased domestic use for biodiesel.

[1] The DMO policy requires palm oil producers/exporters to sell a portion of their CPO domestically to the cooking oil industry at a regulated price in order to obtain a CPO export permit.
[2] "Minyakita," meaning "our oil" is cooking oil provided through the Domestic Market Obligation (DMO) scheme that must be distributed in the domestic market at the Government's set price (HET).
[3] A sales practice in which retailers oblige customers to buy other products with every purchase of fixed-price Minyakita cooking oil.

During the first three months of 2024/25, palm oil exports reached 5.9 MMT, a decrease of 10 percent compared to the corresponding period last year. Higher shipments to Pakistan did not offset reduced demand from China, while India continued to switch to alternative vegetable oil as palm oil prices strengthened. A rise in import duties in India is expected to further dampen shipments.

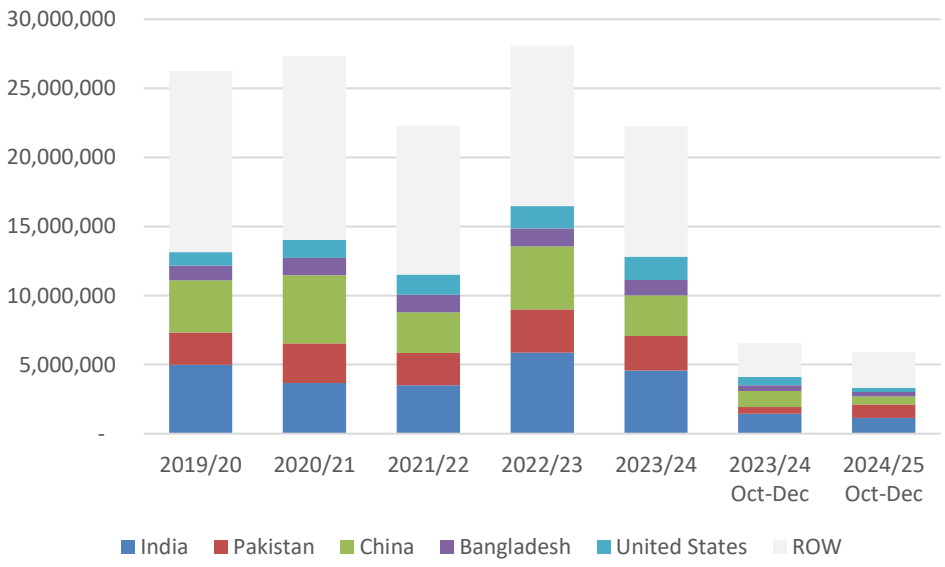
Meanwhile, Indonesia has also been applying its own duties to its palm oil products exports: an export tax and an export levy. The export levy is collected into the "CPO Fund" which is managed by the Plantation Fund Management Agency (BPDP). The export tax is managed by the MOT which issues a reference price every month as the basis for both the export tax and the export levy. The palm oil export tax uses a structured tariff based on reference price brackets.

Table 2. Indonesia Palm Oil Exports Levy and Tax Tariff (Under HS code 1511)

Products	**Levy Tariff** (percent)	**Tax Tariff** (**$**/MT)
Crude Palm Oil (CPO)	7.5	0 – 288
Crude palm olein, crude palm stearin	6	0 -170
RBD (Refined, Bleached and Deodorized) palm oil, RBD palm olein, RBD palm stearin	4.5	0 - 192
RBD palm olein in package of 25 kg	3	0 - 105

Source: Ministry of Finance

Figure 4. The Top 5 of Indonesia Palm Oil Export Destinations 2019-2024 (MT)



Source: Trade Data Monitor LLC

Stocks

Palm oil stocks in 2025/26 are forecast slightly up at 5.3 MMT, up 8 percent from 2024/25, reflecting higher supplies.

Table 3. Production Supply and Distribution for Palm Oil, 2023/24-2025/26

Oil, Palm	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	13500	13500	14000	14400	0	14400
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	5107	5107	4760	4760	0	4900
Production (1000 MT)	43000	43000	46500	45500	0	47000
MY Imports (1000 MT)	1	1	0	0	0	0
Total Supply (1000 MT)	48108	48108	51260	50260	0	51900
MY Exports (1000 MT)	22273	22273	23000	23000	0	24000
Industrial Dom. Cons. (1000 MT)	13500	13500	15500	14700	0	14900
Food Use Dom. Cons. (1000 MT)	7300	7300	7550	7350	0	7400
Feed Waste Dom. Cons. (1000 MT)	275	275	275	310	0	310
Total Dom. Cons. (1000 MT)	21075	21075	23325	22360	0	22610
Ending Stocks (1000 MT)	4760	4760	4935	4900	0	5290
Total Distribution (1000 MT)	48108	48108	51260	50260	0	51900
Yield (MT/HA)	3.1852	3.1852	3.3214	3.1597	0	3.2639
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:

Oilseed, Palm kernel

Production

Palm kernel (PK) production is estimated at 6 percent of total fresh fruit bunch (FFB) weight; therefore, PK production is forecast to reach 11.8 MMT in 2024/25 and 12 MMT in 2025/26.

Consumption

Local millers are expected to crush 11.7 MMT of PK in 2024/25 and 11.9 MMT in 2025/26, producing palm kernel oil (PKO) and palm kernel meal (PKM).

Trade

Palm kernel exports are forecast at 8,000 MT in both 2024/25 and 2025/26. India is expected to remain a major PK export destination in 2024/25.

Stocks

PK stocks in 2025/26 are up slightly to 51,000 on expected higher production and continued crushing demand.

Table 4. Production, Supply and Distribution for Palm Kernel, 2023/24-2025/26

Oilseed, Palm Kernel	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	13500	13500	14000	14400	0	14400
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	57	57	47	47	0	44
Production (1000 MT)	11000	11000	12090	11800	0	12000
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	11057	11057	12137	11847	0	12044
MY Exports (1000 MT)	0	0	10	8	0	8
Crush (1000 MT)	10900	10900	11955	11680	0	11870
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	110	110	115	115	0	115
Total Dom. Cons. (1000 MT)	11010	11010	12070	11795	0	11985
Ending Stocks (1000 MT)	47	47	57	44	0	51
Total Distribution (1000 MT)	11057	11057	12137	11847	0	12044
Yield (MT/HA)	0.8148	0.8148	0.8636	0.8194	0	0.8333
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:

Oil, Palm kernel

Production

Post estimates Palm kernel oil (PKO) production at 5.1 MMT for 2024/25 and 5.2 MMT for 2025/26, based on 11.7 MMT and 11.9 million tons of PK to be crushed, respectively.

Consumption

PKO use for industrial sector is expected to rise 100,000 MT to 3.1 MMT for 2025/26 from 2024/25 on continued demand from the oleochemical sector and homecare products industry. The price spread between PKO and coconut oil (CNO) is expected to fall back to below $80 for the remainder of 2024/25 after a sharp spike in 2023/24 due to reduced supplies related to severe weather. Demand for PKO over CNO is expected to continue given projected ample supplies in 2025/26.

In the food sector, PKO serves as a cheaper replacement for CNO and a substitute for cocoa butter in chocolate confectionaries. PKO use is projected to slightly increase by 10,000 MT to 510,000 MT in 2025/26 as population growth.

Trade

PKO exports forecast at 1.6 MMT in 2025/26, an increase 100,000 MT from 2024/25. In 2024/25, 65 percent of PKO exports were shipped to only three destinations: China, the United States, and Brazil.

As part of palm products, tax and levy are applied to PKO exports.

Table 5. Indonesia Palm Exports Levy and Tax Tariff for PKO

Products	Levy Tariff (percent)	Tax Tariff ($/MT)
Crude palm kernel oil (CPKO)	7.5	0 – 353
Crude palm kernel olein, crude palm kernel stearin	6	0 - 212
RBD (Refined, Bleached and Deodorized) palm kernel oil, RBD palm kernel olein, RBD palm kernel stearin	4.5	0 - 255

Source: Ministry of Finance

Stocks

On expected higher domestic use, PKO stocks estimated to slightly decrease by 3 percent in 2025/26 to 371,000 MT.

Table 6. Production, Supply and Distribution for Palm Kernel Oil, 2023/24-2025/26

Oil, Palm Kernel	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	10900	10900	11955	11680	0	11870
Extr. Rate, 999.9999 (PERCENT)	0.437	0.437	0.4371	0.4366	0	0.4381
Beginning Stocks (1000 MT)	329	329	281	281	0	381
Production (1000 MT)	4763	4763	5225	5100	0	5200
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	5092	5092	5506	5381	0	5581
MY Exports (1000 MT)	1476	1476	1550	1500	0	1600
Industrial Dom. Cons. (1000 MT)	2850	2850	3075	3000	0	3100
Food Use Dom. Cons. (1000 MT)	485	485	570	500	0	510
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	3335	3335	3645	3500	0	3610
Ending Stocks (1000 MT)	281	281	311	381	0	371
Total Distribution (1000 MT)	5092	5092	5506	5381	0	5581
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:

Meal, Palm kernel

Production

Post expects palm kernel meal (PKM) production to reach 6.3 MMT in 2025/26, based on 11.9 MMT of PK crushed.

Consumption

Post projects PKM consumption to reach 1.1 MMT both for 2024/25 and 2025/26 on continued demand from the ruminant feed industry.

Trade

PKM exports reached 1.3 MMT in the first three months of 2024/25, 12 percent down from the corresponding period last year. At least 84 percent of PKM exports in 2024/25 were shipped to Netherlands, New Zealand, South Korea, and Vietnam. On continued demand from the livestock feed sector, Post forecasts PKM exports to rise to 5.2 MMT in 2025/26.

Stocks

With projected higher exports in 2025/26, PKM stocks are expected to fall around 17 percent to 248,000 MT.

Table 7. Production, Supply and Distribution for Palm Kernel Meal, 2023/24-2025/26

Meal, Palm Kernel	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	10900	10900	11955	11680	0	11870
Extr. Rate, 999.9999 (PERCENT)	0.526	0.526	0.5258	0.5265	0	0.5265
Beginning Stocks (1000 MT)	299	299	248	248	0	298
Production (1000 MT)	5733	5733	6286	6150	0	6250
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	6032	6032	6534	6398	0	6548
MY Exports (1000 MT)	4684	4684	5400	5000	0	5200
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1100	1100	840	1100	0	1100
Total Dom. Cons. (1000 MT)	1100	1100	840	1100	0	1100
Ending Stocks (1000 MT)	248	248	294	298	0	248
Total Distribution (1000 MT)	6032	6032	6534	6398	0	6548
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:

Oilseed, soybean

Production

Post forecasts soybean production at 320,000 MT for 2025/26, a nine percent decline from 2024/25 on expected smaller harvested area. Soybeans are still considered as secondary crops with less lucrative returns than other crops. In addition, many soybean farmers depend on the government assistance programs to provide free soybean seeds, fertilizers, and pesticides.

In early 2024, the GOI refocused its budget in the agricultural sector to address El-Nino-induced drought impacts to rice production. The new policy moved the budget from non-rice programs, including soybeans, to rice-related programs. When the new Prabowo administration took office in October 2024, it maintained this focus on rice and corn for its food security program, minimizing the budget for soybean farming assistance and leading farmers in some regions to switch to other crops such edamame beans, tobacco, and mung beans.

Figure 5. Farmers in Yogyakarta Replacing Soybeans with More Lucrative Crops

Source: FAS Jakarta (February 2025)

Java Island is the main producing area for soybeans, representing more than half of harvested area. Over time, expanding urban areas, massive infrastructure development, such as highway roads and housing developments, and insufficient government assistance for soybeans have reduced soybean planted area. Soybeans in Indonesia are planted mainly in rain-fed areas during dry season (around July to September) as a rotational crop between main crops such as rice and corn.

Consumption

Post forecasts soybean consumption will reach 3 MMT for 2025/26, a 2 percent increase from 2024/25 of 2.95 MMT largely on increased demand from the food sector. The tempeh and tofu industry are the main consumers of imported soybeans, using around 90 percent of total soybean supplies. The soy-fermented food industry is largely made up of labor-intensive family-based cottage industries.

Imported soybeans move from ports to packing and sorting facilities through several levels of distribution channels before moving to retail outlets either in wet markets, stores or cooperative offices. Regions with dense populations typically have more complex supply chains with relatively higher demand. For example, a tempeh-producers cooperative in a city with a population of 1.8 million in West Java distributes around 400 MT of soybeans to its 230 members every month.

Post revised up 2024/25 soybean use by the food sector to 2.8 MMT as soybean retail prices continue to decline in early 2025, driven mainly by increased demand from tempeh and tofu producers. Soybean retail prices in March 2025 are 8 percent lower than a year ago.

Indonesia's Free Nutritious Meals (MBG) program officially rolled out in January 2025 and continues to expand implementation coverage. With the addition of 300 kitchen units approved in March 2025, the GOI expects to reach 3 million beneficiaries by early April 2025. The ambitious program aims to reach 6 million students by August 2025 and 82.9 million Indonesians by 2029.

The inclusion of soy-based food in the MBG program is likely as the kitchen unit procures fresh food from local suppliers, while tempeh and tofu are available in most of the region. At the program's current budget of 10,000 rupiah ($0.62) per meal, soy-based foods such as tempeh and tofu are preferable to procure to stay within the tight budget while still meeting the program's mandatory nutrition standards.

Table 8. Estimated Amount of Soybean Required for 15 Serving Days, with Different Operational kitchen unit

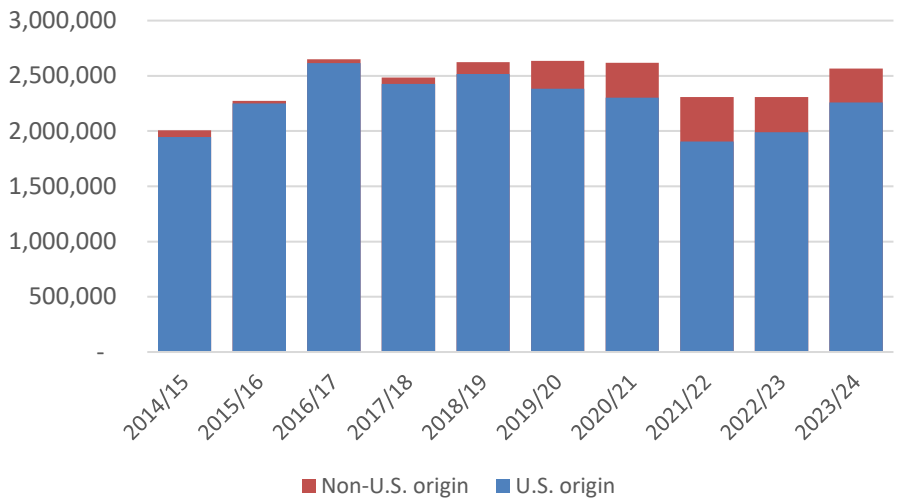
	Currently	End of 2025 Projection	Full Implementation
Number of operational kitchens (each kitchen serves 3,000 pax per day)	1,000	5,000	30,000
Days in a month with soy-based food included in meals (50-gram servings of tempeh per pax)	15	15	15
Soybeans required in a year (MT)	22,500	112,500	675,000

Trade

Post forecasts soybean imports to rise 4 percent to 2.7 MMT in 2025/26 on expected continued demand from tempeh and tofu producers. Soybean shipments might accelerate with more competitive soybean prices, although importers will also have to adjust for anticipated currency devaluation. Over the last 12 months, world soybean prices declined 15 percent, while the rupiah strengthened in October 2024 to IDR 15,100/USD, making soybeans much more affordable for 2024/25. The rupiah later deflated 9 percent to around IDR 16,400 per USD this month, but soybean landed prices are expected to remain competitive.

Indonesia set its Most Favored Nation (MFN) import duty for soybeans at zero percent. The zero tariff ensures stable supplies to support soy-based food processors. The United States is projected to remain the largest source for soybeans, followed by Canada and other origins. In 2023/24, US-origin soybeans made up 88 percent of total imported soybeans.

Figure 6. Soybean Imports by Origin 2014-2024 (MT)



Source: Trade Data Monitor, LLC

Stocks

Soybeans stocks for 2025/26 are forecast up 13,000 MT to 135,000 MT because softened global soybean prices for the remainder of 2024/25 are expected to accelerate imports.

Table 9. Production, Supply and Distribution (PSD) for Soybean, 2023/24-2025/26

Oilseed, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	330	330	330	320	0	0
Area Harvested (1000 HA)	320	320	310	310	0	290
Beginning Stocks (1000 MT)	100	100	129	129	0	122
Production (1000 MT)	375	375	360	350	0	320
MY Imports (1000 MT)	2567	2567	2650	2600	0	2700
Total Supply (1000 MT)	3042	3042	3139	3079	0	3142
MY Exports (1000 MT)	3	3	2	2	0	2
Crush (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	2760	2760	2800	2800	0	2850
Feed Waste Dom. Cons. (1000 MT)	150	150	150	155	0	155
Total Dom. Cons. (1000 MT)	2910	2910	2950	2955	0	3005
Ending Stocks (1000 MT)	129	129	187	122	0	135
Total Distribution (1000 MT)	3042	3042	3139	3079	0	3142
Yield (MT/HA)	1.1719	1.1719	1.1613	1.129	0	1.1034
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:
Meal, soy

Production
Indonesia does not produce soybean meal.

Consumption
Indonesian soybean meal consumption is forecast to increase 150,000 MT to 5.5 MMT in 2025/26 on continued demand from the feed industry. The poultry feed industry is the largest consumer of soybean meal, accounting for at least 80 percent of total animal feed production last year. The inclusion rate for soybean meal in poultry feed is typically around 20 to 25 percent.

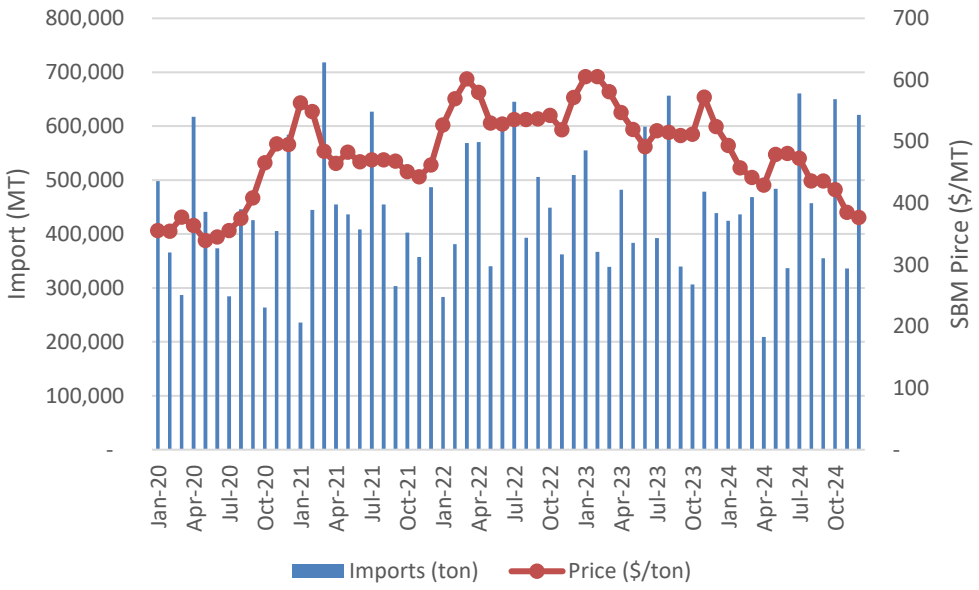
The feed industry is expected to gain positive performance yields from competitive prices for soybean meal in the first quarter of MY 2024/25 as well as from the abundance of other feed ingredients such as corn and wheat. In addition, the GOI's Free Nutritious Meals (MBG) program that rolled out in early 2025 continues to expand its implementation, with an additional 5,000 central kitchens expected to become operational by mid-2025. This expansion is expected to increase overall demand for poultry meat in 2025/26, and subsequently poultry feed. However, the MBG program is still in its nascency and lacks regulatory structure and clarity on procurement terms. These challenges will be further compounded by infrastructure challenges as implementation expands to more remote regions of Indonesia. Suppliers are in wait-and-see mode until the program gains more clarity.

Aquafeed production is the second largest user of soybean meal, with an inclusion rate of between 30 to 40 percent. The production of other feeds, such as dairy cattle feed, is likely to recover in 2025 and may ramp up as the GOI prioritizes importing large quantities of live dairy and beef cattle.

Trade
Post expects soybean meal imports to rise by 100,000 tons from 5.4 MMT in 2024/25 to 5.5 MMT in 2025/26 on continued demand from the feed industry. South American origins are expected to continue to dominate the market, accounting for more than 95 percent of soybean meal imports.

Soybean meal prices have been trending downward since their peak in 2023, reaching their lowest since the COVID-19 pandemic at an average $388 per MT. These competitive prices are likely to accelerate imports to 1.6 MMT, in just the first three months of 2024/25, about 31 percent higher than the corresponding period of last year. As soybean meal is a raw material for industrial use, Indonesia set its import duty MFN tariff for soybean meal at zero percent.

Figure 7. Indonesia Soybean Meal Imports, 2020-2025



Source: Trade Data Monitor, LLC, World Bank

Stocks

Soybeans meal stocks for 2025/26 are forecast up 50,000 MT to 306,000 MT on expected higher supplies due to more competitive prices.

Table 10. Production, Supply and Distribution (PSD) for Soybean meal, 2023/24-2025/26

Meal, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	251	251	106	156	0	256
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	5055	5055	6000	5400	0	5500
Total Supply (1000 MT)	5306	5306	6106	5556	0	5756
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5200	5150	5740	5300	0	5450
Total Dom. Cons. (1000 MT)	5200	5150	5740	5300	0	5450
Ending Stocks (1000 MT)	106	156	366	256	0	306
Total Distribution (1000 MT)	5306	5306	6106	5556	0	5756
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:
Oil, soy

Production
Indonesia does not produce soy oil.

Consumption
Post expects soybean oil consumption to reach 35,000 MT both for 2024/25 and 2025/26. Soybean oil consumption remains limited to upper-middle income consumers as the majority of Indonesian consumers relies on palm-based cooking oil. In addition, food processors utilize soybean oil as a packing oil in the fish canning industry and as one of the ingredients in sauce and mayonnaise production.

Based on Ministry of Industry data, there are 70 fish canning companies operating in Indonesia, producing 308,000 MT of fishery products in 2022 destined mostly for overseas markets. The food industry's preference for soybean oil is due to its cost-effectiveness and sustainability.

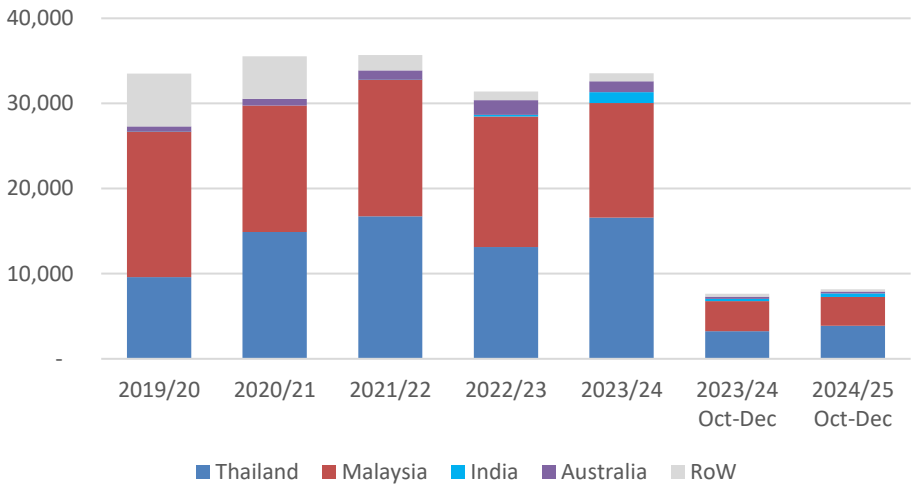
Trade
Forecasts for soybean oil imports are stable at 35,000 MT in 2025/26 on stable demand from the food service sector. Thailand and Malaysia are expected to continue supplying about 80 percent of Indonesia's soybean oil imports, benefiting from proximity to Indonesia and ASEAN[4] trade free duties. Soybean oil imports from the United States are subject to a 5 percent MFN tariff.

Table 11. Import Tariff for Soybean Oil

HS Code	MFN	2025 Preferential tariff for country of origin
--1507 (Soya-bean oil and its fractions, whether or not refined, but not chemically modified)	5 percent	ASEAN, United Arab Emirate, China, India, Chile, Australia, New Zealand, EFTA, S Korea, Hong Kong, Japan (0 percent)

[4] Association of Southeast Asian Nations (ASEAN). Thailand, Malaysia, and Indonesia are ASEAN member states and benefit from preferential tariffs as members.

Figure 8. Indonesia Soy Oil Imports 2019-2024 (MT)



Source: Trade Data Monitor, LLC

Stocks

The 2025/26 soybeans oil stocks are projected to remain stable at 1,000 MT as food processors maintain only enough stocks for operational purposes.

Table 12. Production, Supply and Distribution (PSD) for Soy Oil, 2023/24-2025/26

Oil, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	1
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	34	34	40	35	0	35
Total Supply (1000 MT)	34	34	40	35	0	36
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	34	34	40	34	0	35
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	34	34	40	34	0	35
Ending Stocks (1000 MT)	0	0	0	1	0	1
Total Distribution (1000 MT)	34	34	40	35	0	36
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:
Oilseed, copra

Production
Copra production is forecast at 1.64 MMT for 2025/26, a 30,000 MT increase from 2024/25 on improved yields due to expected favorable weather in most producing regions. Post revised down 2024/25 copra production to 1.61 MMT due to 2023 El-Nino-induced drought that lowered coconut production in some regions, such as Sumatera and Sulawesi. Copra production is driven largely by domestic coconut oil demand, followed by demand from export markets, especially for edible copra. Increasing exports of whole coconuts will likely reduce the availability of coconut for copra production.

Indonesia copra production is concentrated in several provinces, including Riau, North Sulawesi, East Java, and Central Sulawesi. In Central and West Java, more farmers utilize coconuts to make non-copra products such as coconut milk for household and restaurant use.

To date, the GOI has introduced more than 50 coconut varieties. Recently released varieties are characterized by having more fruits, slower growth in height, and enhanced coconut meat taste. The adoption of new varieties will likely take years to implement as there are no effective national-level incentives for smallholders to rejuvenate their coconut plantations. In 2022, the GOI started a program for the widespread release of a new coconut variety, with the planned distribution of up to a million seedlings. However, the program experienced difficulties in procuring seedlings, as there were only a few local nurseries capable of providing the new variety.

In September 2024, the GOI launched its Coconut Roadmap 2025-2045, a significant official plan to revitalize the sector. At the same time, the coconut sector is included in the Plantation Fund Management Agency (BPDP) along with palm oil and cocoa. Since the agency plays a key role in developing the palm industrial sector and assisting smallholder oil palm farmers with replanting, it is expected to play a similar role for coconut.

Consumption
On continued competition with non-copra demand, Post expects copra crush to reach 1.6 MMT for 2025/26, 20,000 MT higher than for 2024/25. In addition to reduced copra supply, competition with non-copra demand for coconuts is expected to remain tight, driving up coconut oil prices in the first quarter of 2024/25.

Trade
Post forecasts copra exports at 35,000 MT in 2025/26 on recovered demand from India and Pakistan. Post revised down 2024/25 copra exports to 30,000 MT in line with reduced demand from all key markets due to price increases driven by lower exportable supplies. Indonesia's copra exports to Bangladesh alone fell by 71 percent to 3,000 MT in the first three months of MY 2024/25, and exports to India and Pakistan dropped 42 and 34 percent respectively.

In October 2024, a GOI plan to place a levy on exports of coconut products was revealed that will likely imitate current export levies on exports of palm oil products which have been in place since 2015. Funds that would be collected from the coconut product export levy would be managed by the Plantation Fund Management Agency (BPDP) which was reorganized in 2024 to cover not only palm oil, but also coconut and cacao. Once implemented, the coconut product export levy is expected to shrink Indonesia's copra export competitiveness in the short to medium term.

Stocks

The 2025/26 copra stocks are projected to remain at 14,000 MT for both 2024/25 and 2025/26 following decreased supplies in 2024.

Table 13. Production, Supply and Distribution for Copra, 2023/24-2025/26

Oilseed, Copra	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	3475	0	3475	0	0	0
Area Harvested (1000 HA)	3475	0	3475	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	20	20	19	19	0	14
Production (1000 MT)	1690	1690	1680	1610	0	1640
MY Imports (1000 MT)	2	2	2	0	0	0
Total Supply (1000 MT)	1712	1712	1701	1629	0	1654
MY Exports (1000 MT)	38	38	45	30	0	35
Crush (1000 MT)	1630	1630	1635	1580	0	1600
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	25	25	5	5	0	5
Total Dom. Cons. (1000 MT)	1655	1655	1640	1585	0	1605
Ending Stocks (1000 MT)	19	19	16	14	0	14
Total Distribution (1000 MT)	1712	1712	1701	1629	0	1654
Yield (MT/HA)	0.4863	0	0.4835	0	0	0
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:

Oil, coconut

Production

Indonesia's CNO production is forecast to increase by 10,000 MT to 1 MMT in 2025/26, based on 1.6 MMT of crushed copra. The majority of Indonesian CNO producers operate nearby coconut plantations, with production capacities varying widely, ranging from 30 to 16,000 MT a month. In East Java, CNO producers may source copra not only from surrounding areas but also from eastern Indonesia.

Post revised down 2024/25 coconut oil production to 990,000 MT due to reduced copra supplies. Lower contracted copra supplies since late 2024 forced crushers to scale down operations with some facilities even temporarily shutting down.

Consumption

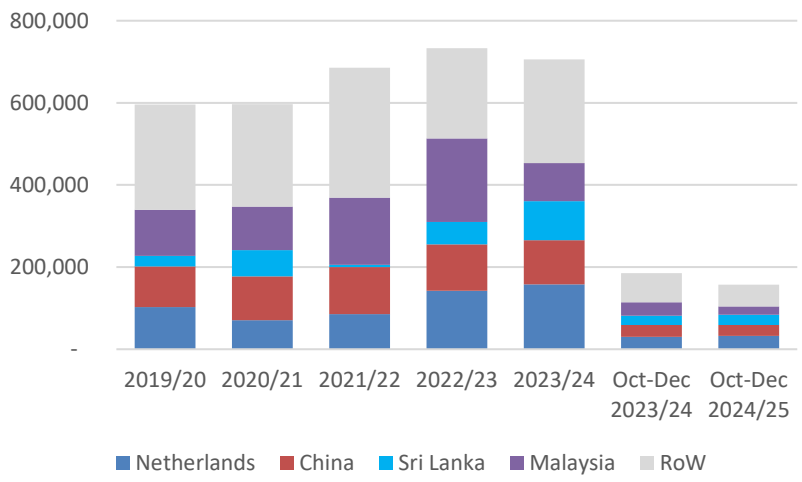
CNO use for industrial is expected to reach 285,000 MT in 2025/26 on slightly higher demand from oleo-chemical processors. Along with a marginal increase of use in the food sector, CNO consumption is forecast at 430,000 MT in 2024/25.

Trade

Post forecast CNO exports for 2025/26 to recover at 680,000 MT as expected exportable quantity to improve along with the recovered feed stocks. Indonesia largest export destinations were China, Malaysia and the United States. U.S. shipments reached between 100,000 MT and 200,000 MT a year, with the main utilization in food service.

Post expects CNO imports to slightly increase to 90,000 MT in 2024/25 due to lower domestic supplies. In the last two years, Indonesia imported CNO between 70,000 and 80,000 MT, from the Philippines and Papua New Guinea.

Figure 9. Indonesia CNO Export Destinations, 2019-2024 (MT)



Source: Trade Data Monitor, LLC

Stocks

Coconut oil stocks for 2025/26 are expected to decrease to 122,000 MT as production recovery will be unable to offset the growth of domestic use and exports.

Table 14. Production, Supply and Distribution for Coconut Oil, 2023/24-2025/26

Oil, Coconut	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1630	1630	1635	1580	0	1600
Extr. Rate, 999.9999 (PERCENT)	0.6319	0.6319	0.6312	0.6266	0	0.625
Beginning Stocks (1000 MT)	207	207	192	192	0	192
Production (1000 MT)	1030	1030	1032	990	0	1000
MY Imports (1000 MT)	86	86	70	90	0	50
Total Supply (1000 MT)	1323	1323	1294	1272	0	1242
MY Exports (1000 MT)	706	706	700	650	0	680
Industrial Dom. Cons. (1000 MT)	280	280	280	280	0	285
Food Use Dom. Cons. (1000 MT)	145	145	120	150	0	155
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	425	425	400	430	0	440
Ending Stocks (1000 MT)	192	192	194	192	0	122
Total Distribution (1000 MT)	1323	1323	1294	1272	0	1242
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:

Meal, copra

Production

Post expects Copra Meal (CM) production to reach 530,000 MT based on an expected 1.6 MMT of copra crushed in 2025/26.

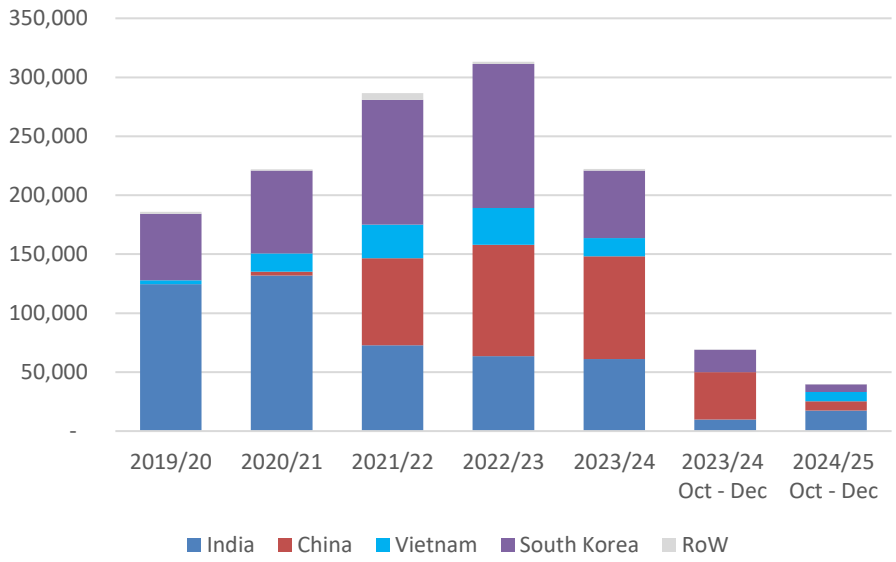
Consumption

Post forecasts CM use at 315,000 MT for 2025/26, a marginal increase from 2024/25 on limited growth in demand from the feed sector. CM is mainly used as a feed ingredient suitable for ruminants but can also be used in smaller amounts for other livestock. CM contains 20-30 percent protein and can be used to partially replace soybean meal.

Trade

CM exports are expected to reach 210,000 MT in 2025/26, recovering slightly from 2024/25 estimates at 200,000 MT. The primary destinations for CM were India and South Korea. In South Korea, the feed industry uses CM to produce feed compounds for swine.

Figure 10. Indonesia Copra Meal Exports, 2019-2024 (MT)



Source: Trade Data Monitor, LLC

Stocks

Copra meal stocks for 2025/26 are projected to remain below 30,000 MT as demand for exports rise along with domestic use for ruminant feed.

Table 15. Production, Supply and Distribution for Copra Meal, 2023/24-2025/26

Meal, Copra	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1630	1630	1635	1580	0	1600
Extr. Rate, 999.9999 (PERCENT)	0.3282	0.3282	0.3291	0.3291	0	0.3313
Beginning Stocks (1000 MT)	7	7	7	7	0	18
Production (1000 MT)	535	535	538	520	0	530
MY Imports (1000 MT)	1	1	1	1	0	0
Total Supply (1000 MT)	543	543	546	528	0	548
MY Exports (1000 MT)	222	222	300	200	0	210
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	314	314	240	310	0	315
Total Dom. Cons. (1000 MT)	314	314	240	310	0	315
Ending Stocks (1000 MT)	7	7	6	18	0	23
Total Distribution (1000 MT)	543	543	546	528	0	548
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Commodity:
Oilseed, peanut

Production
Post expects Indonesia's peanut production will continue to decrease 2 percent to 810,000 MT in 2025/26 on lower harvested area. Indonesian peanuts are grown on both rain-fed and irrigated areas, requiring between 90-95 days to grow. On rain-fed area, farmers usually start to plant in February for harvest in May, while farmers in irrigated areas plant during the dry season between May and September.

Indonesia peanut production is mainly concentrated in Java Island, Sulawesi, and Nusa Tenggara. Peanuts are considered as secondary crops for farmers in Java who depend on staple crops as their main source of income. As the GOI put more resources into paddy and corn production for its self-sufficiency program, secondary crops such peanuts received less government support. Unlike paddy and corn, the government provides no fertilizers or other inputs for peanuts. In regions where peanut demand remains active, local governments provide some assistance such as extensions services. A partnership scheme between private companies and peanut farmers to increase peanut production with improved seeds remains in the works in Central Java.

Figure 11. Peanut Planting in Bantul, Yogyakarta

Source: FAS Jakarta (February 2025)

Consumption
Post forecasts peanut consumption for food use at 1.28 MMT for 2025/26, a slight decrease from 1.29 MMT in 2024/25 as demand from the food sector slows back down after a spike in demand during national elections events in 2024. A further reduction in demand is also likely with fewer

official government events, meetings, and travel in 2025 due to sizeable government budget cuts for FY 2025.

The food industry, consisting of snack producers, food processors, and home-based peanut sauce makers are key users of peanuts in Indonesia. The snack food industry is split between large food processing companies which offer packaged peanuts for retail sale and commercial use, and small home-based industries that utilize peanuts for a variety of traditional snacks. Home industries processing traditional peanut-sauces for daily meals are significant peanut users, specifically in Central and East Java.

Trade

Peanut imports are forecast at 530,000 MT for 2025/26, a decrease of 10,000 MT from 2024/25. India, Africa, and China are expected to remain the main origins. In 2024, peanuts imported from India accounted for 76 percent of total peanut imports, followed by China (14 percent), and Africa (9 percent).

Peanuts imported from the United States are subject to an MFN tariff. Lower tariffs are available for certain countries of origin due to active trade agreements with Indonesia.

Table 16. Imports Tariffs for Peanuts

HS Code	MFN	2025 Preferential tariff for country of origin
1202.3 (seed)	5 percent	Japan, India, China (3 percent) United Arab Emirate (2 percent) ASEAN, Chile, Australia, New Zealand, South Korea, Hong Kong, (0 percent)
1204.41 (in shell)	5 percent	Mozambique (4 percent) Chile (3.95 percent) India (3.11 percent) ASEAN, UAE, EFTA, Japan, Hong Kong, China, S Korea, New Zealand, Australia (0 percent)
1204.42 (shelled)	5 percent	Mozambique (4 percent) Chile (3.95 percent) India (3.11 percent) UAE (2.9 percent) ASEAN, New Zealand, Australia, China, S Korea, Hong Kong, EFTA, Japan (0 percent)
2008.111 (roasted ground nut)	5 percent	UAE (2.9 percent) ASEAN, S Korea, New Zealand, Australia, Hong Kong, India, China, Japan (0 percent)

Source: INSW MOT

Stocks

Peanut stocks are forecast down in 2025/26 to 48,000 MT on lower supplies from both lower domestic production and imports.

Table 17. Production, Supply and Distribution for Peanut, 2023/24-2025/26

Oilseed, Peanut	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	520	520	520	510	0	500
Area Harvested (1000 HA)	520	520	500	500	0	490
Beginning Stocks (1000 MT)	104	104	105	94	0	81
Production (1000 MT)	880	880	840	830	0	810
MY Imports (1000 MT)	486	486	525	540	0	530
Total Supply (1000 MT)	1470	1470	1470	1464	0	1421
MY Exports (1000 MT)	5	6	6	3	0	3
Crush (1000 MT)	50	50	50	50	0	50
Food Use Dom. Cons. (1000 MT)	1270	1280	1300	1290	0	1280
Feed Waste Dom. Cons. (1000 MT)	40	40	40	40	0	40
Total Dom. Cons. (1000 MT)	1360	1370	1390	1380	0	1370
Ending Stocks (1000 MT)	105	94	74	81	0	48
Total Distribution (1000 MT)	1470	1470	1470	1464	0	1421
Yield (MT/HA)	1.6923	1.6923	1.68	1.66	0	1.6531
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments